GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Suits – Arbitration – An amount of Rs.5,10,00,000/- as full and final settlement of claims in O.S.No.640/1989 and 641/1989 on the file of the X Addl. Senior Civil Judge, City Civil Court, Hyderabad in respect of the works relating to (1) "Formation of Earth dam from 480M to 570M of Gap I of Yeleru Reservoir Project" (2) Formation of Earth dam from 570M to 683M of Gap 1 of Yeluru reservoir Project entrusted to Sri M.Sankara Reddy, Contractor vide Agreement Nos. 7YR/81-82 dt.19-01-1982 and 8YR/81-82 dt.19-01-82 – Sanctioned – Orders – Issued.

WATER RESOURCES (ARB) DEPARTMENT

G.O.MS.No. 70 Dated:30-06-2015

Read the following:-

1. From the Engineer-in-Chief (I) Hyderabad, Lr.No.ENC(I)/ DCE (GDS)/OT3/AEE7/YRP/ARB/6330/81, dt.11.12.2014.
2. Interim stay orders of Hon'ble A.P.High Court, dt.20.10.2014.
3. From the Engineer-in-Chief (I) Hyderabad, Lr.No.ENC(I)DCE (GDS)OT.3/AEE7/YRP/ARB/641/1989/641/1989, dt.7-05-2015.

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O R D E R

The Engineer-in-Chief (I) Hyderabad in his letter 1st read above, has reported that the works relating to (1) "Formation of Earth dam from 480M to 570M of Gap I of Yeleru Reservoir Project" (2) Formation of Earth dam from 570M to 683M of Gap 1 of Yeluru reservoir Project", which were entrusted to Sri M.Sankara Reddy, contractor vide agreement Nos. No.7YR/81-82 dt.19-01-1982 and 8YR/81-82 dt.19-01-82.

2. After completion of works, contractor preferred certain claims and filed petitions in OP No 2/87 and 1/87 before V Addl Judge, City Civil Court, Hyderabad to appoint sole arbitrator for settlement of his claims. The Hon'ble Judge has appointed justice K.Punnaiah, Retd Judge as sole arbitrator on 29.1.88. The sole arbitrator has passed non speaking award on 13.3.89 and filed the same before Hon'ble court on 29.3.89. Contrctor has filed OS No.640/89 and OS No 641/89 to make the award rule of court. The V Senior Civil judge, City Civil Court, Hyderabad has passed common judgment on 30-3-95 remanding the matter back to arbitrator to pass reasonable award.

3. In terms of above judgment, the learned arbitrator assigned and passed the award on 7.7.95 for Rs 57,50,560/- and Rs 80,60,600/- respectively in OS No.640/89 and OS No.641/89 and filed the same before court, then Hon'ble court decreed on dt. 14.11.96 and made the award, rule of court, and interest at 20% P.A till the date of realization. Mean while, the contractor filed EPs before V Addl Judge, City Civil Court, Hyderabad. Then Hon'ble High Court granted stay order for execution of EPs and gave a direction to department to deposit 1/3 rd of EP amount. Accordingly, Rs.49,84,884/- towards 1/3 of EP 12/97 vide DD bearing No. ABCD/MHC/A/2/39595800000 2000 16 dt. 7-4-2000 and Rs. 69,87,346/- towards 1/3 of EP 13/97 vide DD bearing No. ABCD/MHC/A/2/39595900000 2000 16 dt. 7-4-2000 were deposited in V Addl Judge, City Civil Court, Hyderabad on dt.11.4.2000. Subsequently, Hon'ble High Court delivered judgment on 21.3.2003 in CRP No 1317/97 as "Order of lower court be and here by set aside and ordered the V Addl Judge, City Civil Court, Hyderabad and proceeded to dispose of the same according to law".

P.T.O

4. The Hon'ble X Addl. Senior Civil Judge, City Civil Court in its judgment on 17-4-06 stated that award is made rule of court and interest 12 % P.A till the date of realization. The contractor has filed EP 12/97 before Xth Senior Civil Judge, City Civil Court , Hyderabad for balance decretal charges of both cases. The said judgements were pronounced on 17.4.2006.

5. The contractor filed EP No 43/2014 in OS No.640/1989 in Prl. Senior Civil Judge's Court, Rajahmundry for payment of Rs 2, 51, 38,890/-as balance decretal charges on July, 2014 for attachment of Govt Properties and filed EP No 132/12 in Prl. Senior Civil Judge's Court, Rajahmundry for Rs 3, 43, 21,854/- in OS No. 641/1989 as balance decretal charges on 27/03/2012.

6. In the reference 2nd read above, the Hon'ble High Court in its interim stay 20-10-2014 ordered to settle the matter amicably with the respondents and to report compliance within the time period stipulated by the Hon'ble Court. In pursuance of the said directions, the matter has been referred to the Conciliation Committee for Andhra Region as constituted for the purpose vide G.O.Rt.No.792, I&CAD (ARB) Department, dated 4-12-2014. The Committee has submitted its report, vide reference 3rd read above.

7. All the disputed claims have been negotiated with the contractor. During the Conciliation meeting, the Contractor agreed for payment of Rs. 5,10,00,000/- as lump sum settlement without going into the details of amount awarded.

8. Government, after careful examination of the entire matter, it has been decided to accept the claim offered by the contractor. Accordingly, Government hereby accord sanction for an amount of Rs.5,10,00,000/- (Rupees Five crore and Ten lakhs only) as full and final settlement of all the claims in O.S.Nos. 640/89 and 641/89 on the file of the X Addl. Senior Civil Judge, City Civil Court , Hyderabad in respect of the works relating to (1) "Formation of Earth dam from 480M to 570M of Gap I of Yeleru Reservoir Project" (2) Formation of Earth dam from 570M to 683M of Gap 1 of Yeluru reservoir Project", which were entrusted to Sri M.Sankara Reddy, contractor vide agreement Nos. No.7YR/81-82 dt.19-01-1982 and 8YR/81-82 dt.19-01-82, subject to condition that the above contractor should withdraw all the legal proceedings pending the Courts in respect of the above work against the Govt., or its representative officer after realization of the sanctioned amout.

9 . The expenditure sanctioned in para (8) above shall be debitable to the detailed Head of Account under " 4700-01-MH-116-YR Scheme-GH11-NSP-SH(26)D&A works - 530MW/531 OE(V)"

10. The Engineer-in-Chief (I) Hyderabad is directed to deposit the above sanctioned decretal amount to the credit of O.S.No.640/89 and O.S.No.641/89 on the file of the X Addl. Senior Civil Judge, City Civil Court , Hyderabad for avoiding further legal complications in the matter. He also directed to obtain a declaration on a notarized affidavits from the above Contractor stating that he shall withdraw all legal proceedings in respect of work covered under O.S.Nos. 640/89 and 641/89 against the Government of Andhra Pradesh or its representative after realization of accepted amount. Further, he is also directed to instruct the disbursing officer concerned to obtain declaration from the above contractor accepting the amount as full and final settlement of all its claims before deposting the above sanctioned amount in the respective court.

Contd…p.3

11. This order issues with the concurrence of Finance (W&P) Deptt., vide their U.O.No.8721/140-A/W&P-II/2015, dated 23-06-2015

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ADITYA NATH DAS
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief (I), Water Resources Department, A.P. Hyderbad
The Accountant General, A.P.Hyderabad
The District Treasury Officer, Kakinada
The Pay and Accounts Officer, Kakinada
Sri M.Sankara Reddy, Bhagya Nagar, Ongole, Prakasham District.
Copy to
The P.S. to M (WR)
The Learned Advocate General, High Court of A.P.Hyderabad
The P.S. to Prl.Secretary, Water Resources Department
The Law (B) Deptt.,
The Finance (W&P) Department
The Water Resources (P&B) Deptt., with a request to release LOC/authorization for the expenditure sanctioned above.
SF/SC

// FORWARDED :: BY ORDER//

SECTION OFFICER